
**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
AD HOC BOARD GOVERNANCE COMMITTEE
MINUTES OF MEETING**

August 15, 2005

The meeting of the Ad Hoc Board Governance Committee was held on Monday, August 15, 2005, at Lincoln Plaza, 400 P Street, Sacramento, California.

The meeting to order at 3:20 p.m. and the following members were present:

Rob Feckner, Chair
George Diehr, Vice Chair
Robert Carlson
Priya Mathur
Kurato Shimada
Charles Valdes

Board member excused:
Willie Brown

Other Board members present:
Rosalind Brewer, representing Philip Angelides
Toni Symonds, representing Steve Westly

Staff participating:
Peter Mixon
Dora Noegel

AGENDA ITEM 2 – APPROVAL OF THE JULY 28, 2005 MINUTES

The minutes were approved as presented.

AGENDA ITEM 3 – WORK PLAN

Peter Mixon, General Counsel, presented the draft work plan and anticipated timeline for the Committee's review of the Board's internal governance procedures. Mr. Mixon noted that the work plan includes five modules, arranged in priority order, which cover the following topics: Board/staff relations and communication protocols; Board and Committee meeting procedures / Code of Ethics; Board member travel; employer reimbursement policy; and the Board self-evaluation process. The sixth and final module will be a "catch-all" module where the Committee may address any other issues that come up during the discussions on these topics.

Mr. Carlson noted that the Board received a legal opinion from outside fiduciary counsel on whether Board members have a fiduciary duty to vote (i.e., not abstain) on matters before them. He requested that this additional topic be added to the work plan as Item 2.d. Ms. Mathur suggested that it might be helpful for Committee members to have a general discussion on fiduciary duties. Mr. Mixon noted that the Board's fiduciary duties are an integral part of governance and thus will be part of most of the Committee's discussions, however the Committee may wish to consider whether to recommend that a workshop on fiduciary duties be presented to the full Board.

On **MOTION** by Ms. Mathur, **SECONDED** and **CARRIED**, the Committee approved the Work Plan as presented with the inclusion of the additional topic "2.d. Fiduciary Duties."

AGENDA ITEM 4 – FUTURE COMMITTEE MEETING DATES

The Committee approved the following meeting date: Monday, September 19, 2005, immediately following the Investment Committee meeting, in Sacramento. Further meeting dates will be established in consideration of the work plan.

The meeting was adjourned at 3:45 p.m.

FRED BUENROSTRO
Chief Executive Officer